

ConAgra Brands

Product categories assessed

Dairy|Processed Fruit and Vegetables|Ready Meals|Savoury Snacks|Processed Meat, Seafood and Alternatives to Meat

Percentage of company US sales covered by Product Profile assessment
80-90%

Headquarters
Chicago, Illinois, US

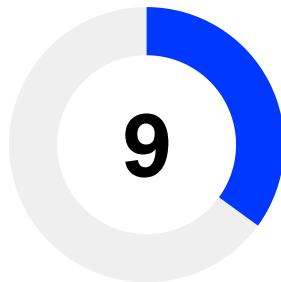
Number of US employees
~16,260

Type of ownership
Public

Sales revenue (range) of packaged foods and beverages
USD 11.2 Billion

US share in global packaged food and beverage sales
87-92%

Euromonitor International Limited [2021]
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Rank 9 / Score 3.5
Rank 7 (2018)

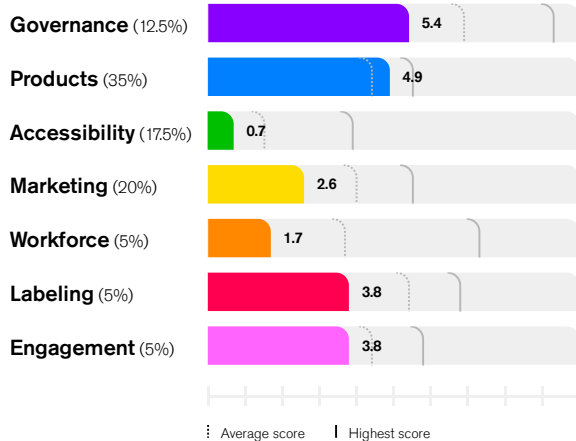


Product Profile ¹
Rank 1 / HSR 2.9 ²
Rank 1 (2018) ³

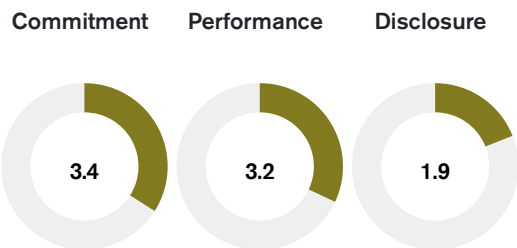
Important:

The findings of this Index regarding companies' performance rely to a large extent on information shared by companies, in addition to information that is available in the public domain. Several factors beyond the companies' control may impact the availability of information. Therefore, in the case of limited or no engagement by such companies, this Index may not represent the full extent of their efforts.

Scoring Overview



(%) Figure in brackets is the weighting of the category
All category and criteria scores are out of 10



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type.

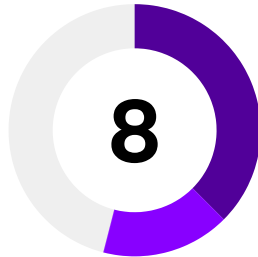
Categories

The US Index 2022 assesses companies' nutrition-related commitments and policies, practices and disclosure across seven categories. A product profiling exercise, assessing the healthiness of companies' product portfolios using the Health Star Rating model is also part of the Corporate Profile.



Governance

12.5% of overall score



Rank 8 / Score 5.4

Rank 5 (2018)

Highest score 9.3

Average score 6.9

A1 Nutrition strategy

A2 Nutrition management

- Conagra's nutrition strategy is centered on the idea of nourishing consumers with good food that provides them choices, while meeting high quality and food safety standards.
- Conagra commits to developing foods that help consumers adhere to their personal nutrition goals and philosophies, such as keto, low carb, paleo, vegan, vegetarian, heart healthy, or no added sugar. For their health and wellness products, their food design framework includes nutrient guardrails that deliver intended nutrition attributes. These attributes come to life in products like Healthy Choice single-serving meals that meet the regulated United States Food and Drug Administration (FDA) definition of 'healthy' and provide lower carbohydrate, gluten free, and heart-healthy options. Conagra has transformed its portfolio over time through innovation, introducing better-for-you brands, and the acquisition of Pinnacle Foods. This implies that the company has a strategic commitment to grow through a focus on health and nutrition.
- The company focuses on four areas within this commitment: Nutrient-Rich Whole Food, Access to Healthy Food, Sustainable Nutrition, and Personal Health Goals.
- Accountability of the company's nutrition strategy lies with the Nominating and Corporate Governance Committee that reports to the Board on its activities. The Board, in its capacity as a governing body, reviews and guides strategy, sets performance objectives, and oversees the corporate sustainability strategy. During Board meetings, board members are able to provide feedback on these governance mechanisms and their relationship to managing corporate social responsibility/sustainability.

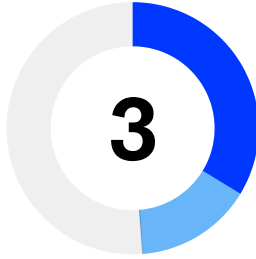
Areas of improvement

- Currently, Conagra's strategy to improve food access mostly focuses on formulating products to qualify for the WIC program, which are then made available to low-income women and children through government intervention, rather than through the company's own commercial channels. Conagra is encouraged to include a focus on addressing the needs of priority populations in its commercial strategy, including products targeting health concerns faced by these communities as defined by public authorities.
- While Conagra discloses its formal accountability arrangements in depth, it is encouraged to ensure that its nutrition strategy is assessed regularly through audit and/or subject to an annual management review to monitor progress. If these are already part of sustainability reviews, the company is encouraged to disclose more details about it.
- Conagra is advised to link executive compensation to performance on nutrition objectives and disclose this arrangement publicly.



Products

35% of overall score



Rank 3 / Score 4.9

Rank 7 (2018)

Highest score 5.5

Average score 4.4

- B1** Product Profile
- B2** Product formulation
- B3** Defining healthy products

- Conagra has adopted a new metric – Sustainable nutrition – to track improvements in its product portfolio using the NutriScore, an externally recognized NPM. According to the company, 82% of vegan and vegetarian meals and meat replacements currently meet NutriScore A or B. In addition, the company uses the FDA healthy criteria to guide the development of its Healthy Choice product range.
- In alignment with Sustainability Accounting Standards Board (SASB) standards, Conagra reports \$9.7 billion in revenue from products labeled and/or marketed to promote health and nutrition attributes in FY2021. However, this metric is not specific for the US portfolio.

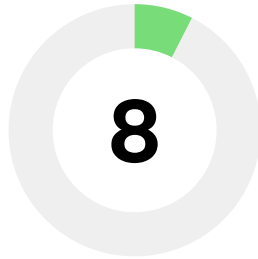
Areas of improvement

- While the company uses the NutriScore and the FDA healthy criteria to guide its product (re)formulation efforts, there is limited information about how those models are used and to which products they are applicable. To enhance transparency in this area, Conagra is encouraged to publish a policy on the details of its product reformulation criteria, to adopt a target to increase sales of healthier products covering its entire US portfolio, and to report progress annually.
- Further, Conagra is encouraged to disclose quantitative targets on progress made to reduce key nutrients of public health relevance, especially for sodium in alignment with the FDA guidance.



Accessibility

17.5% of overall score



Rank 8 / Score 0.7

Rank 5 (2018)

Highest score 3.9

Average score 1.5

C1 Product pricing

C2 Product distribution

- 'Access to healthy food' is one of the four pillars of Conagra's 'Health for All' nutrition platform. Its main approach is to formulate products to qualify for WIC, which are then made available to low-income women and children through government intervention, rather than through the company's own commercial channels.

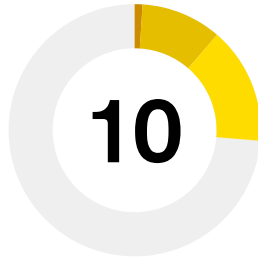
Areas of improvement

- Conagra is encouraged to develop a commercial affordability and accessibility strategy for its healthy products, in order to encourage a shift in consumption toward healthier options and ensure that those on low-incomes and/or experiencing food insecurity have access to nutritious food. The company is recommended to start by tracking the relative prices (per serving) of its healthy products and develop targets (with baseline and target year) to improve the price differential between them. It could also work with retailers and distributors to ensure that its healthy products are offered at an affordable price and are distributed in low-income neighborhoods.
- Since Conagra makes donations to Feeding America and other food security programs, the company is encouraged to develop a policy to ensure its product donations are made responsibly, consisting predominantly of nutritious products, so that they do not unintentionally exacerbate public health issues. For example, it could commit to responsible donation guidelines such as the Healthy Eating Research (HER) Nutrition Guidelines. In addition, it is recommended to track the nutritional profile of its product donations for philanthropic programs.



Marketing

20% of overall score



Rank 10 / Score 2.6

Rank 7 (2018)

Highest score 5.5

Average score 4

- D1** Marketing policy
- D2** Marketing to children
- D3** Auditing and compliance

- As a Children's Food and Beverage Advertising Initiative (CFBAI) member, Conagra commits that all its advertising primarily directed at children under age 12 in covered media will be for foods that meet CFBAI's Category-Specific Uniform Nutrition Criteria.

Areas of improvement

- Conagra is encouraged to commit to increasing the proportion of marketing spending on healthy products relative to overall marketing spending and publish a commentary outlining the changes to the company's marketing spending in support of healthier eating.
- Conagra is strongly encouraged to develop and publish a clearly articulated responsible marketing/advertising policy, covering all consumers including children (defined as being those under age 18), including all marketing communication channels, and is applied to all products.
- Where Conagra's policy for children indicates no marketing or advertising in primary schools, no such commitment is made for secondary schools or other places where children gather. The company is recommended to extend its policy of no marketing to children to the aforementioned places.
- Conagra undergoes CFBAI auditing and is encouraged to make its marketing compliance levels public. No information on auditing the compliance of marketing for the general audience was found. It is therefore recommended to ensure annual independent external auditing of the company's compliance with its general marketing policy applicable to the US, covering all media specified in the policy. Conagra could also ensure corrective measures are taken regarding any non-compliance with its marketing policy.
- Conagra is advised to commit to or demonstrate that its non-commercial US programs relating to nutrition education exclude product- or brand- level branding in all programs.



Workforce

5% of overall score



Rank 9 / Score 1.7

Rank 8 (2018)

Highest score 7.3

Average score 3.7

E1 Employee health

E2 Breastfeeding support

- Conagra has a lactation policy, in which it commits to provide private, hygienic, safe rooms to express breastmilk, as well as daily intermittent breaks to express breastmilk.

Areas of improvement

- Conagra should make a public commitment to support employee health and nutrition in the US through a workforce nutrition program, including expected outcomes (such as healthy behavior, health-related, or employee absenteeism outcomes). For its workforce nutrition program, Conagra should consider:

- 1) A commitment to making the program available to all employees and all family members;
- 2) Including healthy food at work, nutrition education, and nutrition-focused health checks;
- 3) Disclosing the percentage of employees that participate in the program.

- Conagra is encouraged to evaluate the health impact of its workforce nutrition program(s) in the US, regulated by a third-party independent evaluator. The company is further encouraged to disclose quantitative and qualitative information of the outcomes of the program.

- Conagra could commit to improve the health and nutrition of groups across the food value chains it is involved in, that are not directly employed by the company (supply chain partners in the US and abroad), through programs focused on nutrition.

- Conagra is encouraged to extend its current paid parental leave policies of six weeks to ideally six months or more.

- Conagra could extend arrangements to support breastfeeding mothers and maternal health by offering flexible working arrangements..

- Conagra is advised to publish both its lactation policy and paid parental leave policy.



Labeling

5% of overall score



Rank 11 / Score 3.8

Rank 9 (2018)

Highest score 6.8

Average score 5.4

F1 Product labeling

- Conagra uses the Facts up Front (FuF) labeling scheme to display front-of-pack (FOP) information, which shows the calories, saturated fat, sodium, and total sugar contained in each serving of a food or beverage product.
- Conagra uses SmartLabel to provide online nutrition information for more than 80% of its products. This is an improvement since the 2018 US index, where Conagra were not credited for displaying online nutrition information.

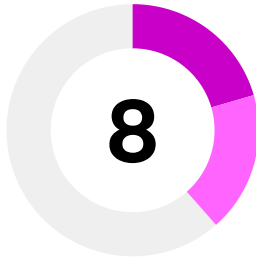
Areas of improvement

- Conagra is advised to adopt an interpretive FOP labeling system and apply this to all products in its portfolio. It is also encouraged to track the percentage of its portfolio that is compliant with its approach to FOP labeling and publicly report on this.
- Conagra is encouraged to use an externally recognized NPM to underpin FOP labeling information in the US. Conagra currently uses the FuF labeling system, which pulls nutrient information from the Nutrition Facts Panel. However, this does not tell consumers what products the company considers healthier and the criteria used for that purpose.
- To ensure transparency and assist consumers in making informed decisions on the healthiness of products, Conagra could provide the following information on pack for all relevant products:
 - 1)The percentage of wholegrain relative to all grain or refined grains
 - 2)The amount of fruit and vegetables.
- It is recommended that Conagra displays online nutrition information for 100% of its portfolio, to ensure that with growing online retail sales, consumers can easily access nutritional information.



Engagement

5% of overall score



Rank 8 / Score 3.8

Rank 7 (2018)

Highest score 5.8

Average score 4.4

- G1** Influencing policymakers
- G2** Stakeholder engagement

- The Nominating, Governance and Public Affairs Committee of the Board oversees Conagra's political activities, including political contributions, lobbying expenditures, and trade association participation.
- While Conagra states that 'Nutrition' is one of its key topics of political activity, it does not clarify which policies it lobbies on, or what its positions are on these topics. Conagra shared no evidence of lobbying in support of government policies to address malnutrition (including obesity and diet-related non-communicable diseases (NCDs)) in the US, at federal, state, or local level.
- Each year, Conagra discloses a list of trade associations that use a portion its membership dues for lobbying purposes and discloses this precise amount. It also publishes a link to the Lobbying Disclosure Act website, which contains its Lobbying Disclosure reports.
- The company discloses its contributions to the Democratic and Republican national party conventions, Governors' conferences, and state and local candidates. While it does not contribute corporate funds to external political action committees, it does contribute to federal, state, and local candidates via the Conagra Brands Employee Political Action Committee (PAC), publishing a link directly to its disclosure of its disbursements on the Federal Election Committee (FEC) website.
- Conagra reports that it engages with the wider nutrition community to further its understanding of nutrition, and integrates this awareness into its product innovation process. The company has dissolved its Scientific Advisory Council since 2018.
- Through the Conagra Brands Foundation, the company delivers nutrition education, cooking skills, and healthy and active lifestyle programs in the US. These are in partnership with local and national non-profits, who design the programs themselves, and are co-implemented together with the non-governmental organizations having strong leadership in the process.

Areas of improvement

- Conagra is strongly encouraged to lobby in support of (or commit to not lobby against) key World Health Organization-endorsed public policy measures to address obesity and diet-related NCDs, such as fiscal measures to address obesity, regulatory restrictions on marketing/advertising unhealthy products (to children), or increased FOP labeling requirements, whether at federal, state, or local levels, where such proposals arise. It also has scope to significantly improve its disclosure regarding its lobbying positions on key public health policies. These positions should be as specific and unambiguous as possible. Publishing links to specific documents used in government engagements is also encouraged.
- Conagra should also be more transparent on its own domain about its lobbying expenditures and activities, including publishing the names of its lobbyists/lobbying firms, and what state jurisdictions it is actively lobbying in.
- Conagra is recommended to enhance its processes to review and manage relationships with trade associations, and to undertake audits of the company's lobbying activities, disclosure, and compliance with its lobbying policies.
- Conagra should ensure it directly engages with a wider range of nutrition-specific stakeholders regarding its nutrition strategies and activities in the US, such as civil society organizations, academic institutions, and scientific bodies with recognized expertise in nutrition and public health. This engagement should seek to inform these stakeholders about the companies' existing activities and future plans, and aim to solicit feedback and gather insights to ensure these are sufficiently aligned with the public health interest.
- Conagra is encouraged to improve its public reporting of the content of discussions during stakeholder engagements, and which aspects of the company's nutrition-related activities are being discussed. Importantly, the company should also be clear about the outcomes of the engagements, and how they were used to change its practices or plans.

Product Profile ^{i 4}



Rank 1/11 / Score 2.9/5

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. The underlying nutrient profile model assesses nutrients of concern (sodium, total sugar, saturated fat, and overall energy) and positive food components/nutrients (fruit and vegetable content, protein, fiber, and, in some cases, calcium) to score products on the basis of nutritional composition per 100g or 100mL. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthier. Product Profile results account for 20% of the total Index score.

Portfolio-level Results

| Average HSR (out of 5 stars) (sales-weighted) | Products meeting the 'healthy' threshold (HSR of 3.5 stars or more) | | | Range of total 2021 US sales covered ^{i 5} |
|---|--|----------------------------------|----------------------------------|--|
| | Total no. products assessed | % of distinct healthier products | % sales from healthier products* | |
| 2.9 | 1264 | 54% | 49% | 80-90% |

ATNI estimates this value by taking the proportion of 'healthy' products within each category assessed and multiplying that figure by the corresponding category US retail sales-values in 2021. The values are then aggregated to generate an estimate of the overall US healthy sales.

▪ Conagra's average sales-weighted HSR is 2.9 (stars) out of 5 (3.1 unweighted), ranking joint first out of the 11 companies assessed in the Product Profile (together with Campbell). A total of 1264 products across the company's five best-selling product categories were assessed using the HSR system. ▪ 54% of distinct products analyzed for Conagra met the 'healthy' threshold (3.5 stars or more in the HSR). When taking category sales values into account, the company was estimated to derive 49% of its 2021 US retail sales from 'healthy' products, the highest figure among the Index companies.



Mean Health Star Rating by category for ConAgra Brands

| | No. of products assessed | Mean HSR |
|--|--------------------------|----------|
| Dairy | 90 | 2.4 |
| Processed Fruit and Vegetables | 302 | 4 |
| Processed Meat, Seafood and Alternatives to Meat | 176 | 1.5 |
| Ready Meals | 541 | 3.3 |
| Savoury Snacks | 155 | 2.5 |

▪ Among categories assessed, Conagra's Processed Fruit and Vegetables category (Birds Eye and Hunt's brands among others) had the highest mean HSR (4.0 out of 5), followed by the Ready Meals category (3.3 out of 5). A total of 302 products from the Processed Fruit and Vegetables category were analyzed and 261 (86%) met the 'healthy' threshold. A total of 541 Ready Meals (brands Marie Callender's and Healthy Choice among others) products were analyzed, and 342 of them (or 63%) met the 'healthy' threshold. The company's lowest scoring category was Processed Meat, Seafood and Alternatives to Meat (including Banquet, Slim Jim, Gardein brands), with 20 out of the 176 products (11%) assessed meeting the 'healthy' threshold. These results illustrate Conagra has scope to improve the performance of its Processed Meat, Seafood and Alternatives to Meat products by reducing levels of sodium and saturated fat.

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Footnotes

1. The Product Profile corresponds to criterion B1, assessing the nutritional quality of companies' portfolios, relative product quality within categories compared to peers and changes in portfolio healthiness over time.
2. The current Product Profile score accounts for 20% of the total Index score. It corresponds to criterion B1 of the Index.
3. In the US Index 2018, the Product Profile Assessment was conducted as a separate assessment. The results were based on scores generated by applying the Health Star Rating (HSR) nutrient profiling system, which analyzes the level of several positive nutrients (e.g. fruits, vegetables and fibers) and several negative nutrients (e.g. salt, sugar and saturated fat) in products.
4. The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. The underlying nutrient profile model assesses nutrients of concern (sodium, total sugar, saturated fat, and overall energy) and positive food components/ nutrients (fruit and vegetable content, protein, fiber, and, in some cases, calcium) to score products on the basis of nutritional composition per 100g or 100mL. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthier. Product Profile results account for 20% of the total Index score.
5. Retail sales data derived from Euromonitor International.

